



Steve Troxler  
Commissioner

## North Carolina Department of Agriculture and Consumer Services

December 21, 2011

Secretary Tom Vilsack  
United States Department of Agriculture  
1400 Independence Avenue, S.W.  
Washington, DC 20250

Dear Secretary Vilsack:

Currently, hundreds of North Carolina's poultry growers are facing a dire financial emergency, and as Commissioner of Agriculture for the second-largest poultry-producing state in the nation, I am urging you to take action to address this problem.

As you know, many poultry growers enter into contract agreements with integrator operations on a flock-to-flock basis and rely heavily on these contracts for their livelihood. With the closing of all Townsends Inc. operations in North Carolina, a significant number of poultry farmers have abruptly lost the contracts on which they depended. They now face the possibility of losing not only some of their income, but their entire farm and investments as well. While this case is specific to North Carolina, other cases have affected the poultry industry nationwide.

Similar circumstances affected the poultry industry in 2009 when large integrators went bankrupt, leaving growers on the hook for unfulfilled contracts. At that time, USDA allocated \$60 million of Section 32 funds in the form of grants to states where poultry growers lost contracts. With growers facing a comparable crisis today, I request that you use your authority under Section 32 of 7 U.S.C. 612c, to make funds available to current poultry producers who have been burdened unexpectedly by the closing or bankruptcy of integrators.

I understand that legislation has been introduced that would provide assistance to these growers, but immediate action by USDA would expedite this process and give them a chance to survive this crisis and rebuild their operations.

Thank you for considering this request.

Sincerely,

Steven W. Troxler  
Commissioner

